

## § 1.1291-0T

(k) Effective date.

*§ 1.1291-10 Deemed sale election.*

- (a) Deemed sale election.
- (b) Who may make the election.
- (c) Time for making the election.
- (d) Manner of making the election.
- (e) Qualification date.
  - (1) In general.
  - (2) Elections made after March 31, 1995, and before January 27, 1997.
    - (i) In general.
    - (ii) Exception.
  - (f) Adjustments to basis.
    - (1) In general.
    - (2) Adjustment to basis for section 1293 inclusion with respect to deemed sale election made after March 31, 1995, and before January 27, 1997.
  - (g) Treatment of holding period.
  - (h) Election inapplicable to shareholder of former PFIC.
    - (i) Effective date.

[T.D. 8701, 61 FR 68151, Dec. 27, 1996, as amended by T.D. 8750, 63 FR 13, Jan. 2, 1998; T.D. 9123, 69 FR 24073, May 3, 2004]

## § 1.1291-0T Passive foreign investment company—table of contents (temporary).

This section lists the table of contents for §§ 1.1291-1T and 1.1291-9T.

*§ 1.1291-1T Taxation of United States persons that are shareholders of section 1291 funds (temporary).*

- (a) through (b)(2)(i) [Reserved]
- (ii) Pedigreed QEF.
- (b)(2)(iii) and (iv) [Reserved]
- (v) Section 1291 fund.
- (3) through (6) [Reserved]
- (7) Shareholder.
- (8) Indirect shareholder.
  - (i) In general.
  - (ii) Ownership through a corporation.
    - (A) Ownership through a non-PFIC foreign corporation.
    - (B) Ownership through a PFIC.
    - (C) Ownership through a domestic corporation.
  - (iii) Ownership through pass-through entities.
    - (A) Partnerships.
    - (B) S Corporations.
    - (C) Estates and nongrantor trusts.
    - (D) Grantor trusts.
- (c) through (j) [Reserved]
- (k) Effective/applicability dates.

*§ 1.1291-9T Deemed dividend election (temporary).*

- (a) through (j)(2) [Reserved]
- (3) Shareholder.

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(k) Effective/applicability date.

[T.D. 9650, 78 FR 79607, Dec. 31, 2013]

## § 1.1291-1 Taxation of U.S. persons that are shareholders of PFICs that are not pedigree QEFs.

- (a)–(b) [Reserved]
- (c) *Coordination with other PFIC rules.*
  - (1)–(2) [Reserved]
  - (3) *Coordination with section 1296: distributions and dispositions.* If PFIC stock is marked to market under section 1296 for any taxable year, then, except as provided in § 1.1296-1(i), section 1291 and the regulations thereunder shall not apply to any distribution with respect to section 1296 stock (as defined in § 1.1296-1(a)(2)), or to any disposition of such stock, for such taxable year.

(4) *Coordination with mark to market rules under chapter 1 of the Internal Revenue Code other than section 1296*—(i) *In general.* If PFIC stock is marked to market for any taxable year under section 475 or any other provision of chapter 1 of the Internal Revenue Code, other than section 1296, regardless of whether the application of such provision is mandatory or results from an election by the taxpayer or another person, then, except as provided in paragraph (c)(4)(ii) of this section, section 1291 and the regulations thereunder shall not apply to any distribution with respect to such PFIC stock or to any disposition of such PFIC stock for such taxable year. *See* §§ 1.1295-1(i)(3) and 1.1296-1(h)(3)(i) for rules regarding the automatic termination of an existing election under section 1295 or section 1296 when a taxpayer marks to market PFIC stock under section 475 or any other provision of chapter 1 of the Internal Revenue Code.

(ii) *Coordination rule*—(A) Notwithstanding any provision in this section to the contrary, the rule of paragraph (c)(4)(ii)(B) of this section shall apply to the first taxable year in which a United States person marks to market its PFIC stock under a provision of chapter 1 of the Internal Revenue Code, other than section 1296, if such foreign corporation was a PFIC for any taxable year, prior to such first taxable year, during the United States person's holding period (as defined in section 1291(a)(3)(A) and § 1.1296-1(f)) in such stock, and for which such corporation